

110TH CONGRESS
1ST SESSION

S. 1690

To establish a 4-year pilot program to provide information and educational materials to small business concerns regarding health insurance options, including coverage options within the small group market.

IN THE SENATE OF THE UNITED STATES

JUNE 25, 2007

Ms. SNOWE (for herself, Mr. KERRY, and Mr. BENNETT) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To establish a 4-year pilot program to provide information and educational materials to small business concerns regarding health insurance options, including coverage options within the small group market.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Health
5 Insurance Options Act of 2007”.

1 **SEC. 2. HEALTH INSURANCE OPTIONS INFORMATION FOR**
2 **SMALL BUSINESS CONCERNS.**

3 (a) DEFINITIONS.—In this section, the following defi-
4 nitions shall apply:

5 (1) ADMINISTRATION.—The term “Administra-
6 tion” means the Small Business Administration.

7 (2) ADMINISTRATOR.—The term “Adminis-
8 trator” means the Administrator of the Administra-
9 tion.

10 (3) ASSOCIATION.—The term “association”
11 means an association established under section
12 21(a)(3)(A) of the Small Business Act (15 U.S.C.
13 648(a)(3)(A)) representing a majority of small busi-
14 ness development centers.

15 (4) PARTICIPATING SMALL BUSINESS DEVELOP-
16 MENT CENTER.—The term “participating small
17 business development center” means a small busi-
18 ness development center described in section 21 of
19 the Small Business Act (15 U.S.C. 648) that—

20 (A) is accredited under section 21(k)(2) of
21 the Small Business Act (15 U.S.C. 648(k)(2));
22 and

23 (B) receives a grant under the pilot pro-
24 gram.

25 (5) PILOT PROGRAM.—The term “pilot pro-
26 gram” means the small business health insurance in-

1 formation pilot program established under this sec-
2 tion.

3 (6) SMALL BUSINESS CONCERN.—The term
4 “small business concern” has the meaning given
5 that term in section 3 of the Small Business Act (15
6 U.S.C. 632).

7 (7) STATE.—The term “State” means each of
8 the several States of the United States, the District
9 of Columbia, the Commonwealth of Puerto Rico, the
10 Virgin Islands, American Samoa, and Guam.

11 (b) SMALL BUSINESS HEALTH INSURANCE INFOR-
12 MATION PILOT PROGRAM.—The Administrator shall es-
13 tablish a pilot program to make grants to small business
14 development centers to provide neutral and objective infor-
15 mation and educational materials regarding health insur-
16 ance options, including coverage options within the small
17 group market, to small business concerns.

18 (c) APPLICATIONS.—

19 (1) POSTING OF INFORMATION.—Not later than
20 90 days after the date of enactment of this Act, the
21 Administrator shall post on the website of the Ad-
22 ministration and publish in the Federal Register a
23 guidance document describing—

24 (A) the requirements of an application for
25 a grant under the pilot program; and

1 (B) the types of informational and edu-
2 cational materials regarding health insurance
3 options to be created under the pilot program,
4 including by referencing materials and re-
5 sources developed by the National Association
6 of Insurance Commissioners, the Kaiser Family
7 Foundation, and the Healthcare Leadership
8 Council.

9 (2) SUBMISSION.—A small business develop-
10 ment center desiring a grant under the pilot pro-
11 gram shall submit an application at such time, in
12 such manner, and accompanied by such information
13 as the Administrator may reasonably require.

14 (d) SELECTION OF PARTICIPATING SMALL BUSINESS
15 DEVELOPMENT CENTERS.—

16 (1) IN GENERAL.—The Administrator shall se-
17 lect not more than 20 small business development
18 centers to receive a grant under the pilot program.

19 (2) SELECTION OF PROGRAMS.—In selecting
20 small business development centers under paragraph
21 (1), the Administrator may not select—

22 (A) more than 2 programs from each of
23 the groups of States described in paragraph
24 (3); and

25 (B) more than 1 program in any State.

1 (3) GROUPINGS.—The groups of States de-
2 scribed in this paragraph are the following:

3 (A) GROUP 1.—Group 1 shall consist of
4 Maine, Massachusetts, New Hampshire, Con-
5 necticut, Vermont, and Rhode Island.

6 (B) GROUP 2.—Group 2 shall consist of
7 New York, New Jersey, Puerto Rico, and the
8 Virgin Islands.

9 (C) GROUP 3.—Group 3 shall consist of
10 Pennsylvania, Maryland, West Virginia, Vir-
11 ginia, the District of Columbia, and Delaware.

12 (D) GROUP 4.—Group 4 shall consist of
13 Georgia, Alabama, North Carolina, South Caro-
14 lina, Mississippi, Florida, Kentucky, and Ten-
15 nessee.

16 (E) GROUP 5.—Group 5 shall consist of Il-
17 linois, Ohio, Michigan, Indiana, Wisconsin, and
18 Minnesota.

19 (F) GROUP 6.—Group 6 shall consist of
20 Texas, New Mexico, Arkansas, Oklahoma, and
21 Louisiana.

22 (G) GROUP 7.—Group 7 shall consist of
23 Missouri, Iowa, Nebraska, and Kansas.

1 (H) GROUP 8.—Group 8 shall consist of
 2 Colorado, Wyoming, North Dakota, South Da-
 3 kota, Montana, and Utah.

4 (I) GROUP 9.—Group 9 shall consist of
 5 California, Guam, American Samoa, Hawaii,
 6 Nevada, and Arizona.

7 (J) GROUP 10.—Group 10 shall consist of
 8 Washington, Alaska, Idaho, and Oregon.

9 (4) DEADLINE FOR SELECTION.—The Adminis-
 10 trator shall make selections under this subsection
 11 not later than 6 months after the later of the date
 12 on which the information described in subsection
 13 (c)(1) is posted on the website of the Administration
 14 and the date on which the information described in
 15 subsection (c)(1) is published in the Federal Reg-
 16 ister.

17 (e) USE OF FUNDS.—

18 (1) IN GENERAL.—A participating small busi-
 19 ness development center shall use funds provided
 20 under the pilot program to—

21 (A) create and distribute informational
 22 materials; and

23 (B) conduct training and educational ac-
 24 tivities.

25 (2) CONTENT OF MATERIALS.—

1 (A) IN GENERAL.—In creating materials
2 under the pilot program, a participating small
3 business development center shall evaluate and
4 incorporate relevant portions of existing infor-
5 mational materials regarding health insurance
6 options, including materials and resources de-
7 veloped by the National Association of Insur-
8 ance Commissioners, the Kaiser Family Foun-
9 dation, and the Healthcare Leadership Council.

10 (B) HEALTH INSURANCE OPTIONS.—In in-
11 corporating information regarding health insur-
12 ance options under subparagraph (A), a partici-
13 pating small business development center shall
14 provide neutral and objective information re-
15 garding health insurance options in the geo-
16 graphic area served by the participating small
17 business development center, including tradi-
18 tional employer sponsored health insurance for
19 the group insurance market, such as the health
20 insurance options defined in section 2791 of the
21 Public Health Services Act (42 U.S.C. 300gg-
22 91) or section 125 of the Internal Revenue
23 Code of 1986, and Federal and State health in-
24 surance programs.

1 (f) GRANT AMOUNTS.—Each participating small
2 business development center program shall receive a grant
3 in an amount equal to—

4 (1) not less than \$150,000 per fiscal year; and

5 (2) not more than \$300,000 per fiscal year.

6 (g) MATCHING REQUIREMENT.—Subparagraphs (A)
7 and (B) of section 21(a)(4) of the Small Business Act (15
8 U.S.C. 648(a)(4)) shall apply to assistance made available
9 under the pilot program.

10 (h) REPORTS.—Each participating small business de-
11 velopment center shall transmit to the Committee on
12 Small Business and Entrepreneurship of the Senate and
13 the Committee on Small Business of the House of Rep-
14 resentatives, a quarterly report that includes—

15 (1) a summary of the information and edu-
16 cational materials regarding health insurance op-
17 tions provided by the participating small business
18 development center under the pilot program; and

19 (2) the number of small business concerns as-
20 sisted under the pilot program.

21 (i) AUTHORIZATION OF APPROPRIATIONS.—

22 (1) IN GENERAL.—There are authorized to be
23 appropriated to carry out this section—

1 (A) \$5,000,000 for the first fiscal year be-
2 ginning after the date of enactment of this Act;
3 and

4 (B) \$5,000,000 for each of the 3 fiscal
5 years following the fiscal year described in sub-
6 paragraph (A).

7 (2) LIMITATION ON USE OF OTHER FUNDS.—

8 The Administrator may carry out the pilot program
9 only with amounts appropriated in advance specifi-
10 cally to carry out this section.

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